

CONTROLLER STEVE WESTLY

STATE OF CALIFORNIA

300 Capitol Mall
Sacramento, CA 95814
916.445.3028
www.controller.ca.gov

**FOR IMMEDIATE RELEASE:
DECEMBER 18, 2003**

**CONTACT: STEVEN FISHER OR
ERIKA SOTO**
916-445-2636

Westly Urges New NYSE CEO to Make Bold Reform

**The following is the text of December 18th letter sent by California State Controller
Steve Westly to new NYSE CEO John Thain**

Dear Mr. Thain:

Congratulations becoming chief executive officer of the New York Stock Exchange.

You face an extraordinary challenge to restore public confidence in this vital institution. Over the past few months, we've witnessed a series of conflicts of interests and embarrassing scandals in the public markets. You have the opportunity to reclaim the NYSE's prestige and bring about real change.

As California's chief financial officer and a board member of our state's and the nation's largest pension funds, I can assure you that our police, fire fighters and other retirees want their faith in the NYSE renewed. That faith will only come about with genuine and bold action.

The time for incremental reform has passed. I urge you to take swift action now.

- Corporate conflicts of interest must end. It is critical to maintain the independence of NYSE board members from the corporations the board oversees.
- Technology is one of the greatest tools for equality and can help put fairness ahead of favoritism. We need to reform the specialist system so that investors are trading in a clean and open market system.
- The regulatory oversight committee, which acts as a watchdog, must be independent and free to discipline the NYSE members to prevent conflicts or other improprieties.

You are taking this post at an extraordinary moment. I look forward to working with you to ensure the integrity of the NYSE, from the CEO to the trading floor. Please let me know if I can be of any assistance.

Sincerely,

Steve Westly

###